

14 October 2020

ARGENT SECURES SUNNY CORNER JOINT-VENTURE RIGHTS

Highlights

- Argent Minerals Limited secures rights to earn a 90% interest in Sunny Corner Exploration Area of EL5964.
- Sunny Corner is a significant historic gold, silver, zinc and copper production region.
- Close proximity to two major exploration companies - Freeport-McMoRan and Alkane Resources Limited.
- Joint-Venture Heads of Agreement to allow reclamation, process plant, mining and exploration to co-exist with partner Sunshine Reclamation.

Argent Minerals Limited (ASX: ARD, Argent, or the Company) is pleased to announce it has entered into a Joint-Venture Heads of Agreement with Sunshine Reclamation Pty Ltd (SRP) and its wholly owned subsidiary Sunny Silver Pty Ltd in relation to the Lachlan Fold Belt exploration licence over Sunny Corner EL5964.

JOINT VENTURE HEADS OF AGREEMENT WITH SUNSHINE RECLAMATION PTY LTD

Background

Argent Minerals sold the Sunny Corner Exploration Licence to Sunshine Reclamation (September 2019) under the Sunny Corner Sale Agreement on the basis that a part of the area required significant environmental rehabilitation.

The Company considered in 2019 not to have the time or available resources to successfully undertake a significant rehabilitation exercise (see ASX Announcement, December 2019 Quarter Activities and Cash Flow, 31 January 2020).

SRP has completed an assessment and isolated the parts of the tenement which are the primary focus of its planned reclamation and rehabilitation work (the SRP Reclamation Area, see Figure 1).

SRP's reclamation plans include the construction and operation of processing plant(s) to treat complex contaminated materials from the Sunny Corner reclamation. These plants may also be applicable to treating ores from a discovery by Argent within trucking distance of Sunny Corner. And potentially provide an opportunity to fast track development of an applicable discovery.

About Sunshine Reclamation Pty Ltd

Sunshine Reclamation Pty Ltd is a mine reclamation and rehabilitation group resolving complex environmental and metallurgical problems. The main Sunny Corner mine is a contaminated site with significant acid mine drainage and metal contamination issues. It has a mining history going back almost 150 years and has been classified as a derelict mine site under the Mining Act 1992. Sunshine Reclamation plans to process the contaminated waste from the site and ameliorate the acid mine drainage as part of its site reclamation.

EL5964 Joint Venture Heads of Agreement with Sunny Silver

Argent has been in negotiations with SRP and Sunny Silver to undertake exploration of the areas not requiring environmental rehabilitation and in recent months has successfully negotiated a joint venture heads of agreement to conduct exploration in these areas, (see Figure 1).

The key terms of the agreement:

- a. Argent is granted the exclusive right to acquire a farm-in interest of 90% in EL5964 for undertaking \$1.5M worth of exploration expenditure over a period of three years.
- b. SRP is to retain a 10% free carried interest in the tenement.
- c. SRP is to receive an option fee of \$110,000 together with the cancellation of a sum of \$400,000 owed under the Sunny Corner Sale Agreement.
- d. SRP will be undertaking reclamation work in the area of reclamation (SRP Reclamation Area) and as such have will have the right to apply for mining leases in this non-exploration area (see Figure 2).
- e. Argent is able to undertake exploration activities in the SRP Rehabilitation Area upon payment of an access fee \$25,000. SRP is to receive a 40% free carry on exploration undertaken in the SRP Reclamation Area.
- f. Acting reasonably, SRP will have the right to place a tailings storage facility or processing plant on EL5964 in support of its reclamation activities.

Argent Managing director and CEO Mr George Karageorge said “the Argent Board is pleased that a win-win position was agreed by Sunshine Reclamation and Argent, which allows the Derelict Sunny Corner Mine to be rehabilitated while co-existing with exploration over one of Australia’s oldest direct shipping mining localities at Sunny Corner Silver Mine”

Mr Karageorge added “this is also a great outcome for the NSW Government, SRP and Argent shareholders in cleaning up the old Sunny Corner Mine Site and allowing exploration over the larger tenement area”

In relation to the Joint Venture Heads of Agreement, Matthew Huggan, director of SRP commented:

“While SRP considers that EL5964 is highly prospective for significant base and precious metals discoveries (supported by significant historical production records) the company’s core business is not exploration or mining. Consequently, while acknowledging the potential opportunities within the exploration licence, SRP aims to concentrate on its core business of mine site reclamation and rehabilitation.

SRP has been looking for an appropriate partner to properly explore the opportunities within the Exploration Licence. Argent’s expertise and track record make it the logical choice to partner with SRP on this and other exploration opportunities in the future.

SRP is looking forward to working with Argent in relation to EL5964, and other exploration, mining and processing opportunities in the future.”

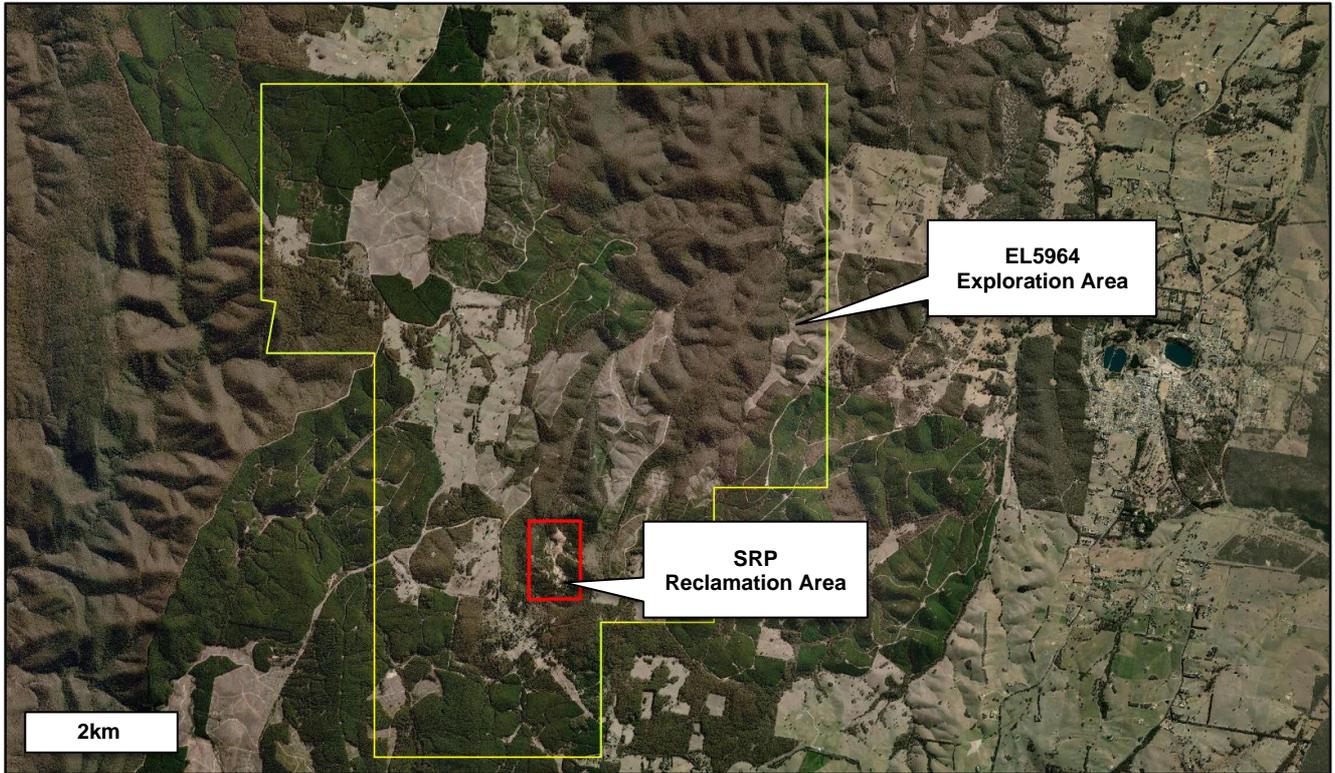


Figure 1 -Map of the JV Exploration Area EL5964 and SRP Reclamation Area

Sunny Silver Mine and JV Prospects in the Exploration Area

The Sunny Corner Silver Mine was initially a gold mine in 1865 producing over 3.5 million ounces of silver, 18,000 ounces of gold and over 1800 tonnes of copper until mine closure in 1892.

Sunny Corner was Australia's first direct shipping mine (DSO) with silver ore being shipped to London from 1877. The Exploration Area contains historical production mines producing gold, silver and copper mines including the Nevada Copper Mine, Big Hill and Bobs Creek Gold Mines.

The Big Hill Mines, Bobs Creek Gold Mine and Paddy Lackey Mine produced over 18,213 ounces of gold with likely 15g/t head grade averages. Silver production was unknown but historical production head grades delivered to the Sunny Corner Mill were in excess of 100 g/t.

The Nevada Copper Mine produced over 50.8 tonnes of copper (reported to be underestimated by Stevens Et all 1975).

Recent exploration activity in 2005 by Golden Cross Resources Limited conducted a shallow RC drilling totalling 36 drillholes for 1,860 meters to an average depth of 60 meters over the Bob's Creek Mines, Little Hill and Big Hill prospects.

The Company will update shareholders on historical and future exploration programs in the near future.

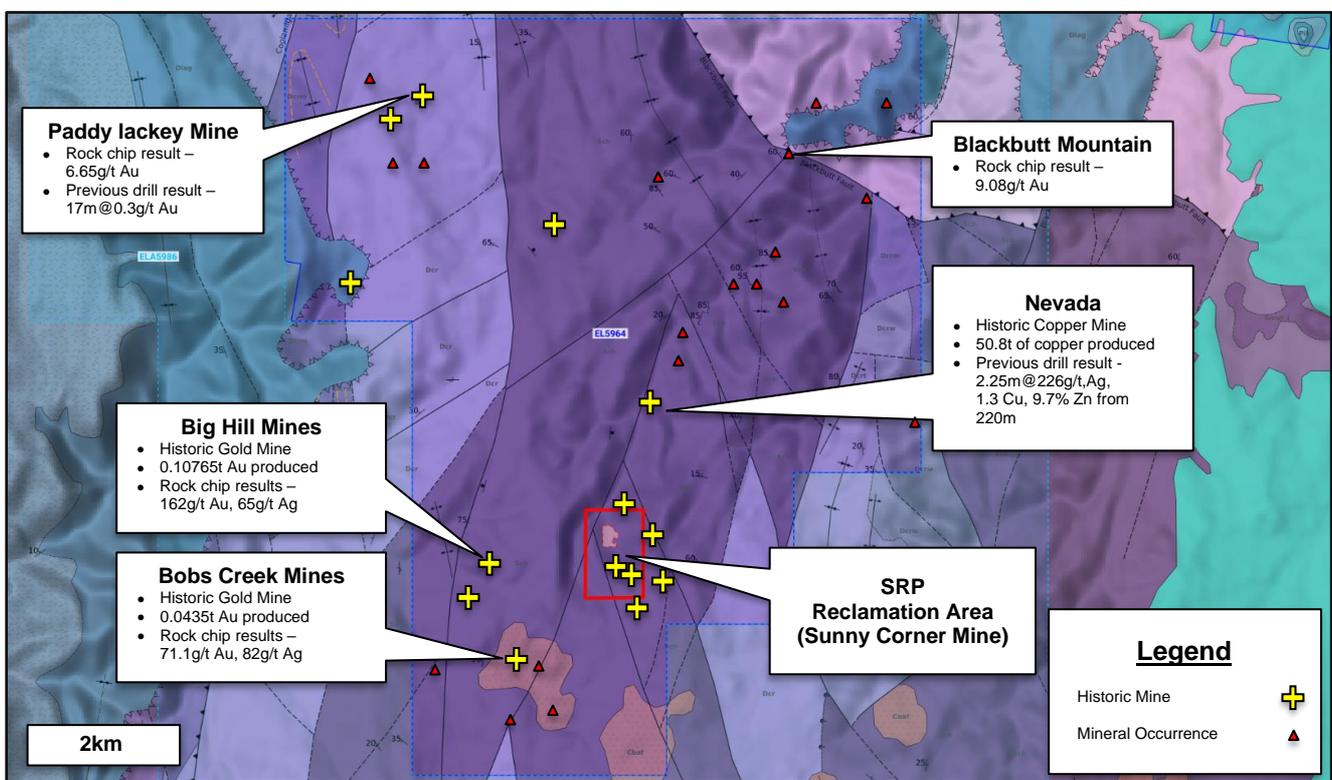


Figure 2 - EL5964 Producing Mines and Mineral Occurrences

This announcement has been authorised by the board of directors of the Company.

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